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TAGS: [PGOV](#) [BR](#)
SUBJECT: BRAZIL: LOCAL ELECTIONS AN EARLY SIGNAL OF TOP
PRESIDENTIAL CONTENDERS

REFS: A) SAO PAULO 225, B) SAO PAULO 285, C) SAO PAULO 338, D)
BRASILIA 1290, E) BRASILIA 813

¶1. (SBU) Summary: On October 5, Brazilians will elect mayors and city council members in all cities except Brasilia. It is increasingly looking like the results will define the 2010 presidential election as a contest between Dilma Rousseff (PT), the president's chief of staff and clear favorite, against Jose Serra (PSDB Governor of Sao Paulo). Analysts consider the Sao Paulo and Belo Horizonte mayoral elections to be bellwethers of the strength of Governor Serra and Minas Gerais Governor Aecio Neves, the two likely presidential contenders in 2010 national elections from the opposition Brazilian Social Democracy Party (PSDB). Marta Suplicy, of the Workers Party (PT, lead party in the governing coalition), running for mayor of Sao Paulo and often cited as a possible PT presidential candidate, will see her presidential chances dashed if she loses the Sao Paulo race. Analysts expect the PT to win more key mayorships than any other party, an additional boost for the PT's prospects in 2010. The Brazilian Democratic Movement Party (PMDB, a non-ideological party currently in the governing coalition but often a presidential kingmaker) will do well in small towns and have the most mayors overall. End summary.

Sao Paulo: Defining Moment for PSDB's Presidential Contenders

¶2. (SBU) In the Sao Paulo contest (refs A, B, C), polling shows Marta Suplicy going to the second round (which, for all races in which a candidate does not achieve over 50 percent of the vote, will be on October 26). Incumbent mayor Gilberto Kassab (Democrats - DEM, opposition) has a slight edge against former Sao Paulo Governor Geraldo Alckmin (PSDB) for the runoff slot against her. Kassab is allied with Serra, and Alckmin with Neves. The Democrats and the PSDB are national allies, and ideologically close enough that the first round victor, whether Kassab or Alckmin, will pick up the other's votes in round two, probably giving him a victory over Suplicy. According to political analyst Thiago de Aragao of Arko Advice, a Kassab victory would settle the PSDB's internal struggle over its 2010 presidential nominee in Serra's favor, while an Alckmin victory would strengthen Neves but not necessarily ensure his presidential nomination in 2010. Andre Miranda of the PATRI consulting firm agreed that a Kassab win gives Serra the PSDB candidacy in 2010. Miranda also noted that, even though Suplicy's presidential chances could be boosted by winning, President Lula's clear favorite to run as the PT's candidate is Dilma Rousseff and she would still have to overcome that obstacle.

Belo Horizonte: Candidate of PT/PSDB Alliance Will Win

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¶3. (SBU) In Belo Horizonte, capital of Minas Gerais state, where Neves is the incumbent governor, polls show Neves-backed candidate

Marcio Lacerda poised to win the mayoral race (ref D). But the PSDB's roots and base are in Sao Paulo and, according to Arko's Aragao, a Lacerda victory would not bolster Neves enough to overcome the boost Serra would get from a Kassab victory over Geraldo Alckmin and Marta Suplicy. Aragao said many in the PSDB think it is Serra's time to be elected president in 2010, while Neves still has his future before him. Similarly, many politicians believe Neves eventually will be president of Brazil, only not yet. Some observers, Aragao said, are speculating about a Serra-Neves slate, but only if Neves moves to the PMDB, which would bring Brazil's largest political party behind Serra.

PT Will Do Well Nationwide
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14. (SBU) A polling compilation published in leading daily Folha de S. Paulo predicted the PT would win 33 of the 79 most important cities, which would indicate substantial PT strength going into the 2010 elections. Aragao and Miranda both noted that President Lula, who now enjoys a public approval rating as high as 80 percent, has a great ability to "transfer" votes to his favorite candidates. Candidates in the governing coalition make extensive use of Lula's image in campaign materials because of Lula's phenomenal "vote-pulling" ability; Lula's support for Marta Suplicy's candidacy may help her beat the odds and win in Sao Paulo.

Political Sideshows: Rio, Salvador, Porto Alegre, Recife
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15. (SBU) Outside the key races for 2010, a number of interesting sideshows may have broader implications down the road. In Brazil's

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second-largest city, Rio de Janeiro, the focus has been on the stationing of military troops in the large favelas (slums) in an effort to prevent gangs from influencing the vote. In the northeast, DEM Federal Deputy Antonio Carlos Magalhaes Neto ("ACM Neto"), grandson of the late giant of Bahia politics "ACM," is nearly tied in a three-way race for mayor of Salvador against a PT candidate and a PMDB candidate. An ACM Neto victory would reassert his family's leading position in Bahia politics and weaken Bahia Governor Jaques Wagner (PT), sporadically mentioned as a possible PT presidential candidate in 2010. The Recife mayoral race has taken an odd turn with the disqualification of the PT candidate, who nonetheless is likely to win in the first round. In the key southern city of Porto Alegre, a stronghold of the PT's intelligentsia, stalwarts, and radicals, the PT's mayoral candidate, Federal Deputy Maria do Rosario, is polling poorly and may not make it to the second round. Aragao said this would be an "historic defeat."

16. (SBU) Comment: Although each of the nearly 5,600 municipal races that will be decided by the end of October will have important implications for local governance, at a national level all eyes are on 2010. Although Serra and Neves may make personal gains, the PT is likely to demonstrate continuing broad-based strength which, added to Lula's popularity, would present a formidable asset for the eventual PT candidate. Largely buried in the election politicking is the fact that, only 20 years after the re-establishment of democracy in Brazil, the vote itself is considered a mundane affair, generally free of serious corruption concerns.

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